

# Fiscal Note

*Fiscal Services Division*



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**HF 2148** – Reserve Police Officers Tax Credit (LSB 5711YH)  
Analyst: Jeff Robinson (Phone: (515) 281-4614) ([jeff.robinson@legis.iowa.gov](mailto:jeff.robinson@legis.iowa.gov))  
Fiscal Note Version – New

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## **Description**

**House File 2148** creates a new Reserve Peace Officer Tax Credit. Qualified individuals must meet minimum training standards established by the Iowa Law Enforcement Academy. The tax credit is equal to \$50 per year and is prorated for persons serving in the position for a portion of the year. The credit is not refundable and is available beginning tax year 2015.

## **Assumptions**

- There are 680 qualified reserve peace officers currently in the State.
- All 680 officers are assumed to qualify for the maximum \$50 credit.
- To estimate the projected impact of a nonrefundable \$50 tax credit, the Department of Revenue utilized their individual income tax micro-simulation model. The credit was randomly assigned to 680 tax returns so the results could be adjusted for tax returns that do not have the full \$50 in income tax liability.

## **Fiscal Impact**

The Reserve Peace Officer Tax Credit proposed in HF 2148 is projected to reduce net General Fund revenue by less than \$50,000 per year, starting FY 2016 and remain below \$50,000 for the foreseeable future. As a nonrefundable tax credit, the credit will also have a minor impact on the revenue generated by the local option income surtax for schools.

## **Sources**

Iowa Law Enforcement Academy  
Department of Revenue Income Tax Model

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/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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